



## ILLINOIS COMMERCE COMMISSION

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May 3, 2000

Commonwealth Edison Company

00-0259

Petition for expedited approval of  
implementation of a market-based  
alternative tariff, to become effective on  
or before May 1, 2000, pursuant to  
Article IX and Section 16-112 of the  
Public Utilities Act

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:  
: SERVED ELECTRONICALLY  
: AT THE REQUEST OF THE  
: HEARING EXAMINER

TO ALL PARTIES OF INTEREST:

Enclosed is a copy of the concurring opinion to the Order entered by the  
Commission on April 27, 2000, filed by Chairman Richard L. Mathias.

Sincerely,

A handwritten signature in cursive script that reads "Donna M. Caton".

Donna M. Caton  
Chief Clerk

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Hearing Examiner: Mr. Jones

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STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

**Commonwealth Edison Company**

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**00-0259**

**CONCURRING OPINION OF CHAIRMAN RICHARD L. MATHIAS  
ON THE ORDER ENTERED BY THE COMMISSION ON APRIL 27, 2000**

Today's Commission Order authorizing Commonwealth Edison to file tariffs implementing an index-based methodology for calculating the market value for power and energy in Illinois is a significant milestone in the implementation of the Electric Service Customer Choice and Rate Relief Law of 1997<sup>1</sup> in Illinois (Customer Choice Law). The proceedings in the current docket occurred on an expedited basis for the Commission recognized this as an opportunity for further advancing the goals of the Customer Choice Law.

Since the Customer Choice Law was signed into law in December, 1997, many industry experts have repeatedly voiced concerns about the use of the Neutral Fact Finder methodology, which is provided for in §16-112 of the Illinois Public Utilities Act,<sup>2</sup> to calculate the market value for power and energy. As reported in *Roundtable Discussions re: Electric Service Customer Choice & Rate Relief Law of 1997*,<sup>3</sup> prior to the filing of this proceeding representatives of utilities, customers, Retail Electric Suppliers and others all expressed the concern that continued use of the Neutral Fact Finder methodology makes the risk of re-monopolization of the electric industry in Illinois a real likelihood.

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<sup>1</sup> 220 ILCS 5/16-101

<sup>2</sup> 220 ILCS 5/16-112

<sup>3</sup> *Roundtable Discussions re: Electric Service Customer Choice & Rate Relief Law of 1997* issued on April 4, 2000 authored by Chairman Richard L. Mathias is available on the Illinois Commerce Commission website. (<http://www.icc.state.il.us/icc/inside/docs.asp#cm>)

During 1999 the Commission held hearings and considered adopting a different market index<sup>4</sup> which some parties proposed should be used in determining market value. After deliberation, the Commission determined that the market index then under consideration was not appropriate. In retrospect, that Commission decision was clearly correct.

Today's Order appears to provide for a much better method to determine a more true market value. It also provides for workshops of stakeholders to critique and analyze real world results. I am hopeful that the Commission's actions today will help to deter a re-monopolization of the retail electric market and move Illinois one step closer to the restructured electric industry envisioned by the General Assembly when it enacted the Customer Choice Law.

April 27, 2000

Richard L. Mathias

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<sup>4</sup> ICC Docket 99-0171